# EMAKHAZENI LOCAL MUNICIPALITY

# FINANCIAL STATEMENTS

# 30 JUNE 2005

I am responsible for the preparation of these financial statements, which are set out on pages 1 to 23, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councilors as disclosed in note 13 & 14 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Revenue of Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with the Act.

Municipal Manager Date

# CONTENTS


| *Description* | *Page* |
|---|---|
| GENERAL INFORMATION | 2 |
| FOREWORD | 3 |
| REPORT OF THE AUDITOR-GENERAL | |
| DIRECTOR OF FINANCE SERVICES REPORT | 4 - 5 |
| ACCOUNTING POLICIES | 6 - 7 |
| BALANCE SHEET | 8 |
| INCOME STATEMENT | 9 |
| CASH FLOW STATEMENT | 10 |
| NOTES TO THE FINANCIAL STATEMENTS | 11 - 14 |
| ***APPENDICES:*** | |
| A. STATUTORY FUNDS, RESERVES AND PROVISIONS | 15 |
| B. EXTERNAL LOANS AND INTERNAL ADVANCES | 16 |
| C. ANALYSIS OF FIXED ASSETS | 17 - 19 |
| D. ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2005 | 20 |
| E. DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2005 | 21 - 23 |

# GENERAL INFORMATION

**MEMBERS OF THE EXECUTIVE COMMITTEE**

**GRADING OF LOCAL AUTHORITY**

Grade

**AUDITORS**

Auditor-General

**BANKERS**

**REGISTERED OFFICE**

D. ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2005

**E. DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2005**

**APPROVAL OF FINANCIAL STATEMENTS**

The financial statements set out on pages 5 to 29 were received by the Municipal Manager on 29 September 2004 and will be presented to and approved by the Council.

**MUNICIPAL MANAGER**

## FOREWORD BY HER WORSHIP THE MAYOR

**MAYOR**

## DIRECTOR OF FINANCIAL SERVICES REPORT

**1. OPERATING RESULTS**

Details of the operating results per department, classification and object of expenditure are included in Appendices D and E. The overall operating results for the year ended 30 June 2004 are as follows:

| INCOME | ACTUAL | | VARIANCE | BUDGET |
|---|---|---|---|---|
| | 2004 | 2005 | 2004/2005 | 2005 |
| | R | R | % | R |
| Opening Surplus | 21,670,426.00 | 21,916,007.00 | 1% | - |
| Operating income for the year | 245,581.00 | (316,677.90) | -229% | 11,285.00 |
| Closing Deficit | 21,916,007.00 | 21,599,329.10 | | 11,285.00 |

**1.1 Rate and General Services**

| | ACTUAL | | VARIANCE | BUDGET |
|---|---|---|---|---|
| | 2004 | 2005 | 2004/2005 | 2005 |
| | R | R | % | R |
| Income | 25,278,725 | 29,418,223 | 16% | 20,085,802 |
| Expenditure | (21,595,375) | (31,490,633) | 46% | 21,663,431 |
| | 3,683,350 | (2,072,410) | | (1,577,629) |

**1.2 Trading Services**

| | ACTUAL | | VARIANCE | BUDGET |
|---|---|---|---|---|
| | 2004 | 2005 | 2004/2005 | 2005 |
| D. ANALYSIS OF OPERATIN | R | R | % | R |
| YEAR ENDED 30 JUNE 20 | 13,651,332 | 16,182,825 | 19% | 13,234,976 |
| Expenditure | (11,595,861) | (13,561,601) | 17% | 11,646,062 |
| E. DETAILED INCOME STAT | 2,055,471 | 2,621,224 | | 1,588,914 |

**2. CAPITAL EXPENDITURE**

Capital Expenditure on fixed assets during the year amounted to R11 647 394 (R2 228 083 2004)

| | ACTUAL 2005 R | BUDGET 2005 R | ACTUAL 2004 R |
|---|---|---|---|
| Capital Expenditure | 11,647,394 | 15,052,785 | 2,228,083 |
| | **11,647,394** | **15,052,785** | **2,228,083** |

The resources used to finance the fixed assets were as follows:

| | ACTUAL 2005 R | BUDGET 2005 R | ACTUAL 2004 R |
|---|---|---|---|
| Contribution from Income | 648,463 | 15,052,785 | 2,228,083 |
| Donations | 10,873,664 | 0 | |
| | **11,522,127** | **15,052,785** | **2,228,083** |

**3. EXTERNAL LOANS, INVESTMENTS AND CASH**

External loans outstanding amounted to R121 545 as at 30 June 2005 (R 145 253 in 2004) as set out in Appendix B. No Loans were taken up during the year.

Grants and Subsidies totaling R 7 685 292(R6 514 561 in 2004) were received during the year.

Investments on 30 June 2005 amounted to R10 873 664 (R 10 121 860 in 2004). No investments were written off during the year.

More information regarding loans and investments are disclosed in notes 5 as well as Appendix B to the financial statements.

**4. FUNDS AND RESERVES**

More information regarding the funds and reserves are disclosed in notes 1 and 2 as well as Appendix A to the financial statements.

**5. PROVISIONS**

The following provisions were made in the 2004/05 financial year.

Leave Pay Provision : R418 739

**6. EXPRESSION OF APPRECIATION**

I am grateful to the Mayor, Members of the Executive Committee, Councillors, the Municipal Manager, Heads of Department, Office of the Auditor General and staff of the National Treasury for their support and assistance in preparation of these financial st

**MR. BL MAHLANGU**
**DIRECTOR OF FINANCIAL SERVICES**

# ACCOUNTING POLICIES

## 1 BASIS OF PRESENTATION

**1.1** These financial statements have been prepared so as to conform to the standards laid down by the Institute of Municipal Finance Officers in its Code of Practice for Local Government Accounting (1997) and the Published Annual Financial Statements for Local Authorities (2nd Edition as amended)

**1.2** The financial statements are prepared on the historical cost basis, adjusted for Capital expenditure as more fully detailed in note 3. The accounting policies are consistent with those applied in the previous year, except if otherwise indicated.
The financial statements are prepared on the accrual basis:
- income is accrued when collectable and measurable
- levy income is accrued when received
-expenditure is accrued in the year it is incurred

## 2 FIXED ASSETS

**2.1 Fixed Assets are stated:**
- at historical cost, or
- at valuation (based on the market price at date of acquisition), where assets have been acquired by grant or donation whilst they are in existence and fit for use.

**2.2 Depreciation**

The balance shown against the heading "loans redeemed and other capital receipts" in the notes to the balance sheet is tantamout to a provision for depreciation, however, certain structural differences do exist. By way of the "provision" assets are written down over their estimated useful life. Apart from advances from the various Council Funds assets may also be acquired through:
- Appropriations from income, where the full cost of the asset forms an immediate and direct charge against the operating income and it is therefore unnecessary to make any further provision for depreciation.
- Grant or donation, where the amount representing the value of such grant or donation is immediately credited to the "loans redeemed and other capital receipts" account.

**2.3 Sale of fixed property**

All net proceeds from the sale of fixed property are credited to the Land Trust Fund.
Net proceeds from the sale of all other assets are credited to the Capital Development Fund.

**2.4 Financing**

Fixed assets are financed from different sources including external loans, operating income, endowments and internal advances.
These loans and advances are repaid within the estimated lives of the assets acquired from such loans and advances. Interest is charged to the services concerned at the ruling interest rate applicable at the time the advance is made.

# ACCOUNTING POLICIES

## 3 FUNDS AND RESERVES

### 3.1 Consolidated Capital Development Fund

The Local Authorities Capital Development Fund Ordinance Number 9 of 1978 requires a minimum contribution of 1% of the defined revenue of the council for the immediate preceding financial year. The council's contribution to the Capital Development Fund fo

## 4 SURPLUSES AND DEFICITS

Any surpluses or deficits arising from the operation of each service are retained in that service for its own use.

## 5 TREATMENT OF ADMINISTRATION AND OTHER OVERHEAD EXPENSES

The cost of internal support services is transferred to the various services.

## 6 LEASED ASSETS

Fixed assets held under finance leases are capitalized. Such assets are effectively amortised over the term of the lease agreement.

- Lease finance charges are allocated to the accounting periods over the duration of the leases, by the effective interest rate method, which reflects the extent and cost of lease finance utilised in each accounting period.
- All other leases are treated as operating leases and the relevant rentals are charged to the operating account in a systematic manner relating to the period of use of the assets concerned.

## 7 INVESTMENTS

Investments are shown at a lower cost or market value if a permanent decline in the value occurred and are invested in accordance with Section 125 of the Local Authorities Ordinance 1974 (No. 25 of 1974)

## 8 INCOME RECOGNITION

### 8.1 Water Billing

Meters are read on a monthly basis and billed accordingly.
with the raising of the levies.

### 8.1 Assessment Rates

A general rates is levied based on the property value.
Rebates are granted to State owned property.

# BALANCE SHEET
## AS AT
## 30 JUNE 2005

| | Note | 30-06-2004 | 30-06-2005 |
|---|---|---|---|
| | | R | R |
| **CAPITAL EMPLOYED:** | | | |
| Funds & Reserves | | 11,029,979 | 11,847,106 |
| Statutory funds | 1 | 10,085,858 | 10,896,636 |
| Reserves | 2 | 944,121 | 950,470 |
| (Accumulated Defecit) | | | |
| Unappropriated Surplus | 12 | 21,912,990 | 21,596,312 |
| | | 32,942,969 | 33,443,418 |
| Long Term Liabilities | 3 | 125,295 | 92,881 |
| Consumer Deposits | 10 | 805,371 | 837,570 |
| | | **33,873,635** | **34,373,869** |
| **EMPLOYMENT OF CAPITAL:** | | | |
| Fixed Assets | 4 | 1,193,355 | 877,352 |
| Investments | 5 | 10,121,861 | 10,873,664 |
| Long Term Debtors | 6 | - | - |
| | | 11,315,216 | 11,751,017 |
| **NET CURRENT LIABILITIES:** | | 22,558,419 | 22,620,352 |
| **Current Assets:** | | 37,003,595 | 37,419,466 |
| Debtors | 7 | 36,736,784 | 37,374,293 |
| Cash on hand | | 39,373 | 39,373 |
| Short term Portion of Long term Debtors | 6 | 1,701 | - |
| Bank Account | | 225,737 | 5,801 |
| **Current Liabilities:** | | (14,445,175) | (14,799,114) |
| Provisions | 8 | 1,452,152 | 1,653,692 |
| Short-term portion of Long Term Liabilities | 3 | 19,958 | 28,664 |
| Creditors | 9 | 12,973,065 | 13,116,758 |
| | | **33,873,635** | **34,371,369** |

-

# INCOME STATEMENT
**for the year ended**
**30 JUNE 2005**

| 2004 ACTUAL INCOME | 2004 ACTUAL EXPENDITURE | 200 SURPLUS/ (DEFICIT) | | 2005 ACTUAL INCOME | 2005 ACTUAL EXPENDITURE | 2005 SURPLUS/ (DEFICIT) | 2005 BUDGET SURPLUS/ (DEFICIT) |
|---|---|---|---|---|---|---|---|
| R | R | R | | R | R | R | R |
| 25,278,725 | 21,592,356 | 3,686,369 | **RATES & GENERAL SERVICES** | 29,418,223 | 31,490,633 | (2,072,410) | (2,959,749) |
| 19,005,106 | 15,452,070 | 3,553,036 | Community Services | 22,626,510 | 25,222,290 | (2,595,780) | (2,679,698) |
| 557,677 | 2,428,806 | (1,871,129) | Susidised Services | 529,244 | 2,338,740 | (1,809,496) | (2,357,561) |
| 5,715,942 | 3,711,480 | 2,004,462 | Economic Services | 6,262,469 | 3,929,603 | 2,332,866 | 2,077,510 |
| - | - | - | Housing Services | - | - | - | - |
| 13,651,332 | 11,595,861 | 2,055,471 | Trading Services | 16,182,825 | 13,561,601 | 2,621,224 | 2,962,249 |
| **38,930,057** | **33,188,217** | **5,741,840** | **TOTAL** | **45,601,048** | **45,052,234** | **548,814** | **2,500** |
| | | (5,496,259) | **Apprpriations for the year (refer to note )** | | | (865,492) | |
| | | **245,581** | **Net Surplus for the year/ (Defecit for the year)** | | | **(316,678)** | |
| | | 21,670,426 | **Unappropriated Surplus/ (Defecit) at the beginning of** | | | 21,916,007 | |
| | | **21,916,007** | **Unappropriated Surplus/ (Defecit) at the end of the** | | | **21,599,329** | |

## CASH FLOW STATEMENT
**for the year ended**
**30 JUNE 2005**

| | | 30-06-2004 | 30-06-2005 |
|---|---|---|---|
| **Cash retained from operations:** | | **(6,291,598)** | **95,389** |
| Cash generated by operations | **15** | (479,712) | (93,802) |
| Investment income | **11** | 731,388 | 667,623 |
| (Increase)/Decrease in operating capital | **16** | (6,419,946) | (459,917) |
| | | **(6,168,270)** | **113,905** |
| **Less:** | | | |
| Interest paid | **11** | (123,328) | (18,516) |
| Cash Utilised in Investment Operations - Fixed Assets | | 3,155,005 | (648,463) |
| | | **(3,136,593)** | **(553,074)** |
| **Cash effect of financing operations:** | | | |
| Increase/(Decrease) in long term loans | **17** | (160,739) | (23,708) |
| (Increase)/Decrease in cash investments | **18** | (641,649) | (751,803) |
| (Increase)/Decrease in cash | **19** | 3,938,981 | 219,937 |
| | | **3,136,593** | **(555,574)** |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

| | 30-06-2004 | 30-06-2005 |
|---|---|---|
| **1. ACCUMULATED FUNDS:** | | |
| Capital Development Fund | 6,772,235 | 7,484,567 |
| Land Trust Fund | 3,313,623 | 3,412,069 |
| | **10,085,858** | **10,896,636** |
| **2. RESERVES** | | |
| Maintenance | 709,699 | 709,699 |
| MHR Fly Fishing Park | 234,422 | 240,771 |
| | **944,121** | **950,470** |
| **3. LONG TERM LIABILITIES:** | | |
| Annuity Loans | 90,348 | 69,801 |
| Loan Fund | 54,905 | 51,744 |
| | **145,253** | **121,545** |
| Less: Short-term portion | 19,958 | 28,664 |
| | **125,295** | **92,881** |
| **(Refer Annexure B)** | | |
| **4. FIXED ASSETS:** | | |
| Fixed assets at the beginning of the year | 72,429,465 | 70,068,036 |
| Capital expenditure during the year incurred of fixed assets received during the year | 2,228,083 | 11,647,394 |
| **Less:** | | |
| Assets written off, transferred or disposed of during the year | (4,589,514) | - |
| **TOTAL FIXED ASSETS** | **70,068,034** | **81,715,430** |
| **Less:** | | |
| Loans redeemed and other capital receipts | (68,722,167) | (80,685,566) |
| Unrealised housing charges | (152,512) | (152,512) |
| **NETTO FIXED ASSETS** | **1,193,355** | **877,352** |

**Refer to Annexure C**

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

| | 30-06-2004 | 30-06-2005 |
|---|---|---|
| **5. INVESTMENTS:** | | |
| **Unlisted** | | |
| External | 10,121,861 | 10,873,664 |
| **TOTAL INVESTMENTS** | **10,121,861** | **10,873,664** |

Local Authorities are required to invest funds which are not immediately required with prescribed institutions and the period should be such that it will not be necessary to borrow funds against the investment at a penalty rate to meet commitments

| | | |
|---|---|---|
| **6. LONG TERM DEBTORS:** | | |
| Housing Loans | 1,701 | - |
| Short-term portion of Long Term Debtors | (1,701) | - |
| | - | - |
| **7. DEBTORS:** | | |
| Consumer debtors | 33,636,214 | 37,331,747 |
| Sundry Debtors | 74,527 | 70,183 |
| Grants spent not yet received | 1,084,836 | 1,390,158 |
| Less: Provision for bad debts | (1,863,734) | (6,596,194) |
| VAT | 3,804,941 | 5,178,399 |
| | **36,736,784** | **37,374,293** |
| **8. PROVISIONS:** | | |
| Leave | 1,136,749 | 1,338,289 |
| General Valuation | 44,322 | 44,322 |
| Election Costs | 21,335 | 21,335 |
| Audit Fees | 249,746 | 249,746 |
| | **1,452,152** | **1,653,692** |
| **9. CREDITORS:** | | |
| Trade Creditors: | 562,741 | 1,232,443 |
| Unspent Grants | 5,259,754 | 3,308,521 |
| Debtors received in Advance | 434,560 | 486,325 |
| Value Added Tax levied but not yet received | 6,716,010 | 8,089,469 |
| | **12,973,065** | **13,116,758** |
| **10. CONSUMER DEPOSITS** | | |
| Electricity & Water | 800,545 | 836,850 |
| Sundry Deposits | 4,826 | 720 |
| | **805,371** | **837,570** |
| **11. FINANCING TRANSACTIONS:** | | |
| Interest : Earned (External) | 731,388 | 667,623 |
| Interest : Paid (External) | (123,328) | (18,516) |
| | **608,060** | **649,107** |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

| | 30-06-2004 | 30-06-2005 |
|---|---|---|
| **12. APPROPRIATIONS:** | | |
| **Appropriation Account:** | | |
| Unappropriated Surplus at the beginning of the year | 21,670,427 | 21,912,990 |
| Operating Surplus/(Defecit) for the year | 5,738,822 | 548,814 |
| Prior year adjustment | (5,496,259) | (865,492) |
| | **21,912,990** | **21,596,312** |

**13. COUNCILLORS REMUNERATION**

| | |
|---|---|
| Mayor's allowance | 66,767 |
| Full time Councillor's allowance | 154,256 |
| Councillor's allowance | 241,434 |
| Pension fund, Medical Aid, Group Life, Subsidies and travel contribution | 251,236 |
| | **713,693** |

**14. REMUNERATION OF SECTION 57 EMPLOYEES**

| | Municipal Manager | Chief Finance Officer | Other Section 57 Managers |
|---|---|---|---|
| | | - | |
| Salaries | 254,240 | 145,000 | 435000 |
| Contributions to Pension, UIF and Medical Aid Funds | 72,571 | 46,439 | 124692 |
| Motor and Travelling allowances | 94,189 | 108,733 | 340825 |
| | **421,000** | **300,172** | **900516** |

| | | |
|---|---|---|
| **15. CASH GENERATED BY OPERATIONS:** | | |
| Surplus/(Deficit) For the year | 5,738,822 | 548,814 |
| Adjustment in respect of: Previous years operating transactions | (5,496,259) | (865,492) |
| Provisions | | |
| Statutory Funds, Provisions and Reserves | (114,215) | 871,983 |
| Interest Income | (731,388) | (667,623) |
| Interest Paid | 123,328 | 18,516 |
| | **(479,712)** | **(93,802)** |
| **16. (INCREASE)/DECREASE IN WORKING CAPITAL:** | | |
| (Increase)/Decrease in Debtors | (6,526,959) | (637,509) |
| (Increase)/Decrease in Long Term Debtors | - | - |
| (Increase)/Decrease in Short Term potion of Long | - | 1,701 |
| Term Debtors | - | - |
| Increase/(Decrease) in Deposits | 82,545 | 32,199 |
| Increase/(Decrease) in Creditors | 24,468 | 143,693 |
| | **(6,419,946)** | **(459,917)** |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

| | 30-06-2004 | 30-06-2005 |
|---|---|---|
| **17. INCREASE/(DECREASE) IN LONG TERM LOANS (EXTERNAL):** | | |
| Loans Raised | | |
| Loans Repaid | (160,739) | (23,708) |
| | **(160,739)** | **(23,708)** |
| **18. (INCREASE)/DECREASE IN EXTERNAL CASH INVESTMENTS:** | | |
| Investments Made | (641,649) | (751,803) |
| | **(641,649)** | **(751,803)** |
| **19. (INCREASE)/DECREASE IN CASH:** | | |
| Cash balance at the beginning of the year | 4,204,091 | 265,111 |
| **Less**: Cash balance at the end of the year | (265,111) | (45,174) |
| | **3,938,981** | **219,937** |
| **20. CAPITAL DEVELOPMENT FUND** | | |
| Outstanding advances to borrowing services:- | | |
| Accumulated Fund | 6,153,739 | 7,484,567 |
| Less: External Investments | (5,461,708) | (6,441,257) |
| | **692,031** | **1,043,310** |
| (Refer to Appendix A and B for more detail) | | |

## ACCUMULATED FUNDS, RESERVES, PROVISIONS & TRUST FUNDS

| | BALANCE AT 2004-06-30 | CONTRIBU-TIONS DURING THE YEAR | INTEREST ON INVESTMENT | OTHER INCOME | OPERATING EXPENDITURE DURING THE YEAR | CAPITAL EXPENDITURE DURING THE YEAR | BALANCE AT 2005-06-30 |
|---|---|---|---|---|---|---|---|
| | R | R | R | R | R | R | R |
| 1. **Statutory Funds** | | | | | | | |
| Capital Development Fund | 6,772,235 | 389,301 | 323,031 | - | - | - | 7,484,567 |
| Land Trust Fund | 3,313,623 | - | 98,446 | - | | - | 3,412,069 |
| **Reserve Funds** | | | | | | | |
| Maintenance Electricity | 83,025 | - | - | - | - | - | 83,025 |
| Maintenance Water | 283,821 | - | - | - | - | - | 283,821 |
| Maintenance Sewerage | 142,901 | - | - | - | - | - | 142,901 |
| Maintenance General | 199,952 | - | - | - | - | - | 199,952 |
| MHR Fly Fishing Park | 234,422 | - | 6,349 | - | - | - | 240,771 |
| **Provisions** | | | | | | | |
| Provision for Bad Debts | 1,863,734 | 4,732,460 | | | | - | 6,596,194 |
| Leave | 1,136,749 | 418,739 | | - | 217,199 | - | 1,338,289 |
| General Valuation | 44,322 | - | | | - | | 44,322 |
| Election Expenditures | 21,335 | - | | | | | 21,335 |
| Audit Fees | 249,746 | - | | - | - | - | 249,746 |
| **Sub-Total** | **14,345,865** | **5,540,500** | **427,826** | **-** | **217,199** | **-** | **20,096,992** |

## EXTERNAL LOANS AND INTERNAL ADVANCES

| Issued | Redeemable | Balance at 30 June 2004 | Received during the year | Redeemed or Written off during the year | Balance at 30 June 2005 |
|---|---|---|---|---|---|
| | | R | R | R | R |
| **EXTERNAL LOANS** | | | | | |
| R70 000 @ 15.26% | 2013 | 54,905 | - | 3,161 | 51,744 |
| **COMMERCIAL UNION** | | 3,072 | - | - | 3,072 |
| | | | | | - |
| **ANNUITY LOAN** | | | | | |
| 1979 @ 10.25% 2008 | 2008 | 27,055 | - | 5,009 | 22,046 |
| 1986 @ 17% 2006 | 2006 | 11,979 | - | 3,580 | 8,399 |
| 1978 @ 11.25% 2007 | 2007 | 48,242 | - | 11,958 | 36,284 |
| | | **145,253** | **-** | **23,708** | **121,545** |
| **Internal Advances:** | | | | | |
| CAPITAL DEVELOPMENT FUND | | | | | |
| -Main Substation | | 236,502 | - | 12,762 | 223,740 |
| -Upgrade Pool Tanker | | 5,166 | - | 5,166 | - |
| -Nissan LAW | | - | - | - | - |
| - Upgrade Electrical Network | | 15,598 | - | 4,712 | 10,886 |
| -Tractor (FORD) | | 24,892 | - | 7,520 | 17,372 |
| D. ANALYSIS OF OPERATING INCOME AND | | 926 | - | 882 | 44 |
| YEAR ENDED 30 JUNE 2005 | | 15,324 | - | 4,629 | 10,695 |
| - Backactor (TLB) | | 9,705 | - | 2,932 | 6,773 |
| E. DETAILED INCOME STATEMENT FOR TH | | 22,987 | - | 6,944 | 16,043 |
| -Trailor | | 7,151 | - | 2,161 | 4,990 |
| - Massey Furgeson Tractor | | 25,540 | - | 7,716 | 17,824 |
| - Massey Furgeson Tractor | | 24,008 | - | 7,253 | 16,755 |
| -Nissan LAW | | - | - | - | - |
| - Shed | | 142,101 | - | 4,298 | 137,803 |
| - Hydrolic Lift | | 5,539 | - | 2,398 | 3,141 |
| - Tar Joubert Street | | 78,312 | - | 7,504 | 70,808 |
| - Equipment - Parks | | 384,000 | - | 38,400 | 345,600 |
| - Equipment - Cleansing | | 449,640 | - | 44,964 | 404,676 |
| - Equipment - Electricity | | 359,891 | - | 35,989 | 323,902 |
| - Vehicle - Mayor | | 198,500 | - | 19,850 | 178,650 |
| - Vehicle - Traffic | | 100,668 | - | 10,066 | 90,602 |
| - Equipment - Public Works | | 224,528 | - | 22,452 | 202,076 |
| Land Trust Fund | | | | | |
| -Tourism Fase 1 & 2 | | 66,998 | - | 43,699 | 23,299 |
| | | **2,397,976** | **-** | **292,297** | **2,105,679** |

## ANALYSIS OF FIXED ASSETS

| Expenditure 2003/2004 | SERVICE | Budget 2004/2005 | Balance at 30-06-2004 | Expenditure 2004/2005 | Written off, transferred or disposed of during the year | Balance at 30-06-2005 |
|---|---|---|---|---|---|---|
| **1,779,260** | **RATES & GENERAL SERVICES:** | **1,663,200** | **47,929,355** | **5,887,850** | **-** | **53,817,205** |
| 478,417 | **COMMUNITY SERVICES:** | 1,523,200 | 24,955,502 | 2,992,260 | - | 27,947,762 |
| - | Assessment | - | - | - | - | - |
| 28,389 | Health Services | - | 64,788 | - | | 64,788 |
| 22,000 | Forestry | - | 12,500 | - | | 12,500 |
| 229,528 | Public Works | - | 18,667,335 | 2,266,618 | | 20,933,953 |
| - | Management Services | - | 143,725 | - | | 143,725 |
| 198,500 | Council's General | 1,493,200 | 4,137,553 | 645,782 | | 4,783,335 |
| - | Planning, Environment & Housing | - | 287,649 | - | | 287,649 |
| - | Economic and Social Services | - | 17,568 | - | | 17,568 |
| - | Municipal Manager | 30,000 | - | 48,709 | | 48,709 |
| - | Finances/Treasurer | - | 434,185 | 31,151 | | 465,336 |
| - | Town Clerk | - | 480 | - | | 480 |
| - | Town Estate | - | 628,034 | - | | 628,034 |
| - | Workshop | - | 368,805 | - | | 368,805 |
| - | Cemetery | - | 190,972 | - | | 190,972 |
| - | Registration Authority | - | - | - | | - |
| - | Stores | - | 1,908 | - | | 1,908 |
| 447,800 | **SUSIDISED SERVICES:** | 140,000 | 7,459,765 | - | - | 7,459,765 |
| - | Market | - | 451,116 | - | | 451,116 |
| - | Library | - | 42,118 | - | | 42,118 |
| - | Fire Protection | - | 15,777 | - | | 15,777 |
| | Traffic | 140,000 | 272,732 | - | | 272,732 |
| - | Civil Building | - | 4,377,379 | - | | 4,377,379 |
| - | Abbatoir | - | - | - | | - |
| | Sport & Recreation | - | 2,106,722 | - | | 2,106,722 |
| 447,800 | Parks & Pavements | - | 129,074 | - | | 129,074 |
| - | Swimming Pool | - | 64,847 | - | | 64,847 |

| Expenditure 2003/2004 | SERVICE | Budget 2004/2005 | Balance at 30-06-2004 | Expenditure 2004/2005 | Written off, transferred or disposed of during the year | Balance at 30-06-2005 |
|---|---|---|---|---|---|---|
| **853,043** | **ECONOMICAL SERVICES:** | **-** | **15,514,088** | **2,895,590** | **-** | **18,409,678** |
| 449,640 | Cleansing | - | 21,162 | 363,316 | | 384,478 |
| 145,668 | Licencing | - | - | - | | - |
| - | Holiday Resort | - | - | - | | - |
| 257,735 | Sewerage | - | 15,492,926 | 2,532,274 | | 18,025,200 |
| **435,398** | **TRADING SERVICES:** | **-** | **22,138,681** | **5,759,544** | **-** | **27,898,225** |
| 359,891 | Electricity | - | 12,831,269 | 1,991,545 | | 14,822,814 |
| 75,507 | Water | - | 9,307,412 | 3,767,999 | | 13,075,411 |
| - | **HOUSING:** | **-** | **-** | **-** | **-** | **-** |
| - | Housing | - | - | - | | - |
| **2,228,083** | **TOTAL FIXED ASSETS** | **1,663,200** | **70,068,036** | **11,647,394** | **-** | **81,715,430** |

| SERVICE | Balance at 30-06-2004 | Expenditure 2004/2005 | Written off, transferred or disposed of during the year | Balance at 30-06-2005 |
|---|---|---|---|---|
| **LESS:** | | | | |
| **LOANS REDEEMED AND OTHER CAPITAL RECEIPTS:** | **68,722,167** | **11,963,399** | **-** | **80,685,566** |
| | **68,722,167** | **11,963,399** | **-** | **80,685,566** |
| Loans redeemed & Advances | 2,822,918 | 316,005 | - | 3,138,923 |
| Contribution ex operating income | 7,073,146 | 648,463 | - | 7,721,609 |
| General Capital-ward 2 | 105,557 | - | - | 105,557 |
| General Capital | 53,187,562 | 10,998,931 | - | 64,186,493 |
| Donations | 5,532,984 | - | - | 5,532,984 |
| | | | | - |
| **NET FIXED ASSETS** | **1,345,869** | **(316,005)** | **-** | **1,029,864** |

# ANALYSIS OF OPERATING INCOME AND EXPENDITURE
## FOR THE YEAR ENDED
## 30 JUNE 2005

| | 2004 ACTUAL R | | 2005 ACTUAL R | 2005 BUDGET R |
|---|---|---|---|---|
| | | **INCOME** | | |
| | 6,514,561 | Grants and susidies | 7,685,292 | 9,517,000 |
| | 5,640,165 | Assesment Rates | 7,254,100 | 6,280,763 |
| | 9,514,830 | Sale of Electricity | 11,055,790 | 11,883,835 |
| | 4,136,502 | Sale of Water | 5,127,035 | 4,779,103 |
| | 13,123,999 | Other service charges | 14,478,831 | 14,991,637 |
| | **38,930,057** | | **45,601,048** | **47,452,338** |
| | | **EXPENDITURE** | | |
| | 14,150,456 | Wages and allowances | 17,539,050 | 18,422,916 |
| | 14,473,560 | **General Expenses:** | 17,827,811 | 17,571,126 |
| | - | * Bulk water purchases | - | - |
| | 7,196,509 | * Bulk electricity purchases | 7,682,749 | 7,647,336 |
| | 7,277,051 | * Other general expenses | 10,145,062 | 9,923,790 |
| | | General Expenses not classified | | - |
| | 3,228,481 | Repairs and maintenance | 2,923,957 | 2,987,976 |
| | 406,046 | Capital Charges | 574,954 | 645,087 |
| **D.** | 510,856 | Contributions to Fixed Assets | 648,463 | 1,663,200 |
| | 421,835 | Contributions to Funds | 5,540,500 | 5,681,920 |
| **E.** | **33,191,234** | **Gross Expenditure** | **45,054,734** | **46,972,225** |
| | | Less: Amounts charged out | - | - |
| | **33,191,234** | **Net Expenditure** | **45,054,734** | **46,972,225** |

**DETAILED INCOME STATEMENT**
**for the year ended**
**30 JUNE 2005**

| 2004 ACTUAL INCOME R | 2004 ACTUAL EXPENDITURE R | 2004 SURPLUS/ (DEFICIT) R | | 2005 ACTUAL INCOME R | 2005 ACTUAL EXPENDITURE R | 2005 SURPLUS/ (DEFICIT) R | 2005 BUDGET SURPLUS/ (DEFICIT) R |
|---|---|---|---|---|---|---|---|
| **25,278,725** | **21,592,356** | **3,686,369** | **RATES & GENERAL SERVICES** | **29,418,223** | **31,490,633** | **(2,072,410)** | **(2,959,749)** |
| **19,005,106** | **15,452,070** | **3,553,036** | **COMMUNITY SERVICES** | **22,626,510** | **25,222,290** | **(2,595,780)** | **(2,679,698)** |
| 5,640,164 | - | 5,640,164 | Assessment Rates | 7,254,100 | - | 7,254,100 | 6,280,763 |
| - | - | - | Management Services | - | - | - | - |
| - | 280,045 | (280,045) | Forestry | 906,000 | 234,393 | 671,607 | 816,321 |
| 199,860 | 1,092,509 | (892,649) | Health Services | 3,620 | 895,463 | (891,843) | (779,144) |
| 62,359 | 4,065,863 | (4,003,504) | Public Works | 62,917 | 4,849,488 | (4,786,571) | (4,772,296) |
| 984,120 | 2,830,013 | (1,845,893) | Council's General | 865,822 | 8,686,473 | (7,820,650) | (8,537,647) |
| 23,458 | 129,969 | (106,511) | Cemetry | 20,951 | 51,251 | (30,300) | (172,167) |
| 6,314,731 | 1,458,646 | 4,856,085 | Municipal Manager | 7,165,302 | 1,129,264 | 6,036,038 | 6,951,178 |
| - | 1,017,552 | (1,017,552) | Town Secretary | - | 1,592,808 | (1,592,808) | (1,804,621) |
| 4,488,597 | 2,804,579 | 1,684,018 | Finance / Town Treasury | 529,573 | 3,137,575 | (2,608,002) | (353,610) |
| - | - | - | Town Estate | - | - | - | - |
| - | 203,503 | (203,503) | Workshop | - | 208,416 | (208,416) | (197,933) |
| 1,291,817 | 1,569,391 | (277,574) | Traffic & Licencing | 5,818,225 | 4,437,159 | 1,381,066 | (110,541) |
| **557,677** | **2,428,806** | **(1,871,129)** | **SUBSIDISED SERVICES** | **529,244** | **2,338,740** | **(1,809,496)** | **(2,357,561)** |
| | | - | | - | - | - | - |
| 10,119 | 287,757 | (277,638) | Library | 10,508 | 338,822 | (328,314) | (367,695) |
| - | 88,114 | (88,114) | Fire Services | 310 | 51,251 | (50,941) | (48,900) |
| 499,589 | 394,851 | 104,738 | Civil Buildings | 456,985 | 402,631 | 54,353 | 79,300 |
| 4,449 | 35,167 | (30,718) | Swimming Pool | 2,506 | 21,101 | (18,595) | (50,358) |
| 43,520 | 1,622,917 | (1,579,397) | Parks & Pavements | 58,936 | 1,524,935 | (1,466,000) | (1,969,908) |

| 2004 ACTUAL INCOME R | 2004 ACTUAL EXPENDITURE R | 2004 SURPLUS/ (DEFICIT) R | | 2005 ACTUAL INCOME R | 2005 ACTUAL EXPENDITURE R | 2005 SURPLUS/ (DEFICIT) R | 2005 BUDGET SURPLUS/ (DEFICIT) R | |
|---|---|---|---|---|---|---|---|---|
| **5,715,942** | **3,711,480** | **2,004,462** | **ECONOMICAL SERVICES** | **6,262,469** | **3,929,603** | **2,332,866** | **2,077,510** | |
| | | | | - | - | - | - | |
| 3,073,085 | 1,947,824 | 1,125,261 | Sewerage | 3,334,573 | 1,849,331 | 1,485,242 | 1,387,117 | |
| - | - | - | Holiday Resort | - | - | - | - | - |
| 2,642,857 | 1,763,656 | 879,201 | Cleansing Service | 2,927,897 | 2,080,272 | 847,624 | 690,393 | |
| **-** | **-** | **-** | **HOUSING SERVICES** | **-** | **-** | **-** | **-** | **-** |
| - | - | - | Housing | - | - | - | - | |
| | | - | | | | | | |
| **13,651,332** | **11,595,861** | **2,055,471** | **TRADING SERVICES** | **16,182,825** | **13,561,601** | **2,621,224** | **2,962,249** | |
| 9,514,830 | 9,187,087 | 327,743 | Electricity | 11,055,790 | 11,081,497 | (25,707) | 773,391 | |
| 4,136,502 | 2,408,774 | 1,727,728 | Water | 5,127,035 | 2,480,104 | 2,646,931 | 2,188,858 | |

| 2004 ACTUAL INCOME R | 2004 ACTUAL EXPENDITURE R | 2004 SURPLUS/ (DEFICIT) R | | 2005 ACTUAL INCOME R | 2005 ACTUAL EXPENDITURE R | 2005 SURPLUS/ (DEFICIT) R | 2005 BUDGET SURPLUS/ (DEFICIT) R |
|---|---|---|---|---|---|---|---|
| **38,930,057** | **33,188,217** | **5,741,840** | **TOTAL** | **45,601,048** | **45,052,234** | **548,814** | **2,500.00** |
| | | (5,496,259) | Appropriations for the year | | | (865,492) | |
| | | **245,581** | Net Surplus / (Defecit) for the year | | | **(316,678)** | |
| | | 21,670,426 | Unappropriated Surplus / (Defecit) at the beginning of the year | | | 21,916,007 | |
| | | **21,916,007** | Unappropriated Surplus / (Defecit) at the end of the | | | **21,599,329** | |